

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

In re:

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**MISSISSIPPI CENTER FOR ADVANCED
MEDICINE, P.C.**

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Case No. 23-00962-JAW

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Chapter 11

Debtor.

**MISSISSIPPI CENTER FOR ADVANCED
MEDICINE, P.C.**

*

Adversary Proceeding

*

No. 25-

Plaintiff

*

Versus

*

SPENCER K. SULLIVAN, M.D.

*

Defendant

COMPLAINT

Now into Court, through undersigned counsel for Greta M. Brouphy, as the Liquidating Trustee for the MCAM Liquidation Trust (“Trustee”) for the Mississippi Center for Advanced Medicine, P.C. (the “Debtor” or “Plaintiff”), files this Complaint against Spencer K. Sullivan, M.D. (“Dr. Sullivan”) pursuant to 11 U.S.C. §§ 548 and 544Miss and Mississippi Code § 79-4-8.33 seeking damages in the sum of \$641,144.21 in connection with distributions made to Dr. Sullivan. The Trustee asserts as follows:

1. On April 21, 2023, the Debtor filed a *Voluntary Petition* [Case No. 23-00962 - ECF Doc. 1] for relief under Chapter 11 of the Bankruptcy Code electing to proceed under Subchapter V of Chapter 11 of the Bankruptcy Code as a small business debtor pursuant to Section 101(51D) of the Bankruptcy Code (the “Chapter 11 Case”).

2. The Chapter 11 Case was filed in the United States Bankruptcy Court for the Southern District of Mississippi (“Bankruptcy Court”).

3. On December 18, 2024, the Bankruptcy Court held the confirmation hearing for the Third *ssAmended Subchapter V Plan; Plan of Liquidation* [Case No. 23-00962 - ECF Doc. 934] (“Plan”). On January 23, 2025, the Bankruptcy Court entered the *Order Confirming Third Amended Subchapter V Plan; Plan of Liquidation* [Case No. 23-00962 – ECF Doc. 934] (the “Confirmation Order”), confirming the Plan attached, as modified

4. Greta M. Brouphy was appointed as liquidation trustee under the Plan and has authority to bring causes of action that existed as of the filing of the Debtor’s Chapter 11 Case.

5. Venue of this adversary proceeding is proper.

6. This adversary proceeding is a core proceeding.

7. Defendant, Dr. Sullivan, was at all times the sole owner of the Debtor and its manager and, as such, an insider of the Debtor. [Case No. 23-00962 – ECF Doc. 113].

8. 4TK Assets LLC (“4TK”) and HSF Properties LLC (“HSF”) are entities in which Dr. Sullivan owns an equity interest.

9. The two entities acquired real property with funds contributed by its members as well as financing provided by Southern Bancorp. The Debtor was not a borrower of the Southern Bancorp loan.

10. The Debtor, notwithstanding that it was not a maker of the loan or an owner of any interest in either 4TK or HSF, made regular payments to Southern Bancorp on the loans identified above. The payments made by the Debtor to Southern Bancorp in connection with the two loans were booked as “distributions” to Dr. Sullivan. The Debtor received no benefit from the funds paid to Southern Bancorp on behalf of Dr. Sullivan.

11. In addition to the distributions in connection with the two ventures, other equity distributions were made to Dr. Sullivan within three years of the filing of the Chapter 11 Case.

12. The amounts paid to or on behalf of Dr. Sullivan by year were the following:

- a. Exhibit A – Owner Distributions Prior to Petition Date Summary
- b. Exhibit B – Owner Distribution Prior to Petition Date by Period

13. The Debtor, at the time the payments identified above were made, was insolvent or became insolvent as a result of such payments.

COUNT I 11 U.S.C. § 548

14. The payments identified above are voidable under 11 U.S.C. § 548 due the fact that the Debtor received no benefit for the payments to Southern Bancorp and other distributions to Dr. Sullivan. The Debtor was not an owner of the assets that were acquired with the Southern Bancorp loan.

15. The Debtor was insolvent at the time the payments were made or was soon to be insolvent, and the Debtor did not receive any reasonable equivalent value for the transfer.

COUNT II

16. The payments identified above are voidable under applicable Mississippi state statutes which include, but are not limited to, Mississippi Code § 79-29-609 and Mississippi Code § 15-3-101 et seq.

17. The transfers above were made without sufficient consideration being received by the Debtor, at a time the Debtor was insolvent or soon to be insolvent and were made to an insider.

WHEREFORE, Greta M. Brouphy, as the Liquidating Trustee for the MCAM Liquidation Trust for the Mississippi Center for Advanced Medicine, P.C. prays that Spencer K. Sullivan, M.D. be cited and served, and that after due proceedings are held, that Judgment is found in favor of

Greta M. Brouphy, as the Liquidating Trustee for the MCAM Liquidation Trust for the Mississippi Center for Advanced Medicine, P.C., for all damages prayed, and with legal interest which may be required, costs as allowed by law, for the award of attorney's fees, and all other legal and equitable relief that this Court deems expedient and appropriate to grant; and for all other relief as is just and equitable.

Respectfully submitted:

/s/Douglas S. Draper

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